

# Promoting strategic management in Government Insights from the OECD Public Governance Reviews

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**For a Business Friendly Public Administration**

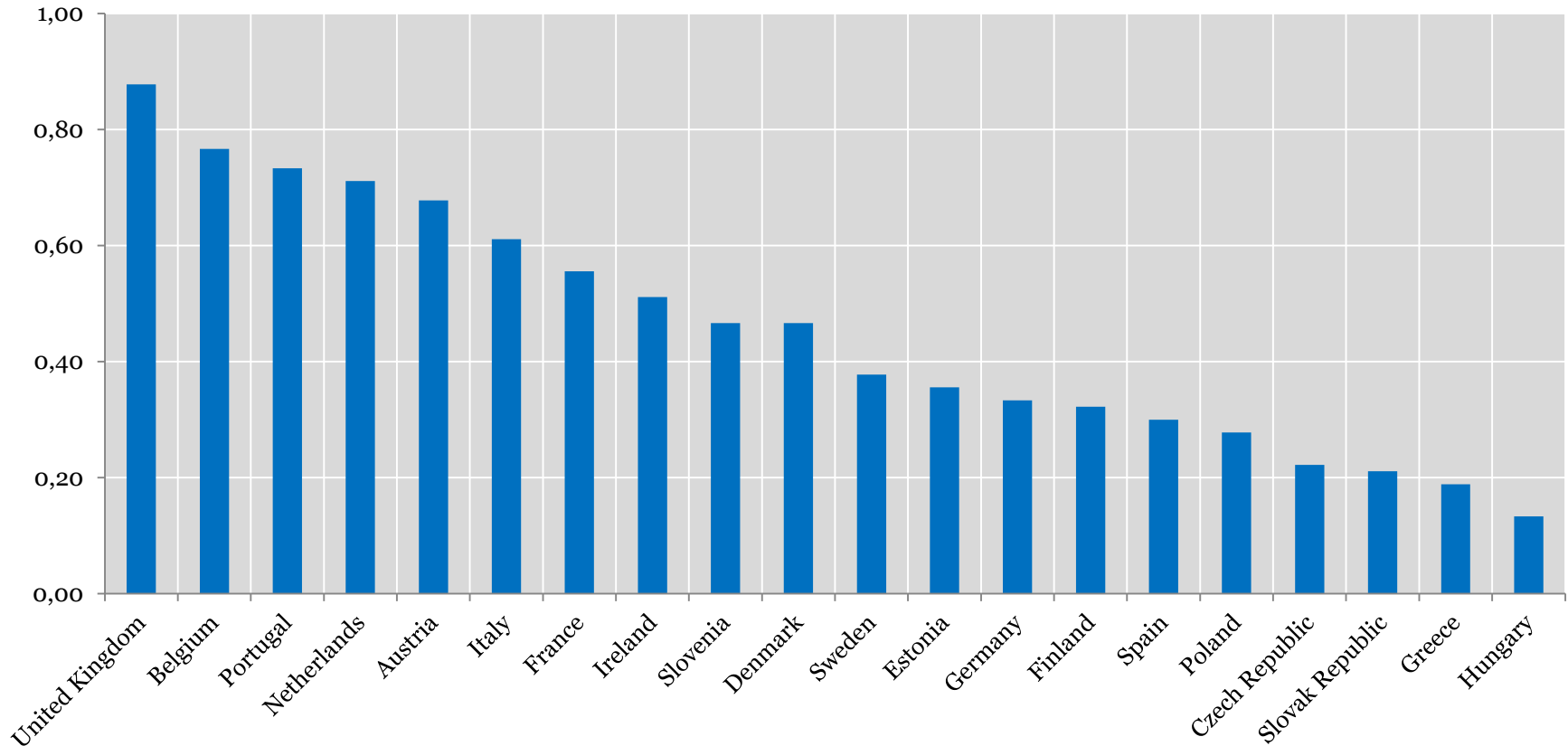
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# Strategic management: snapshot 1

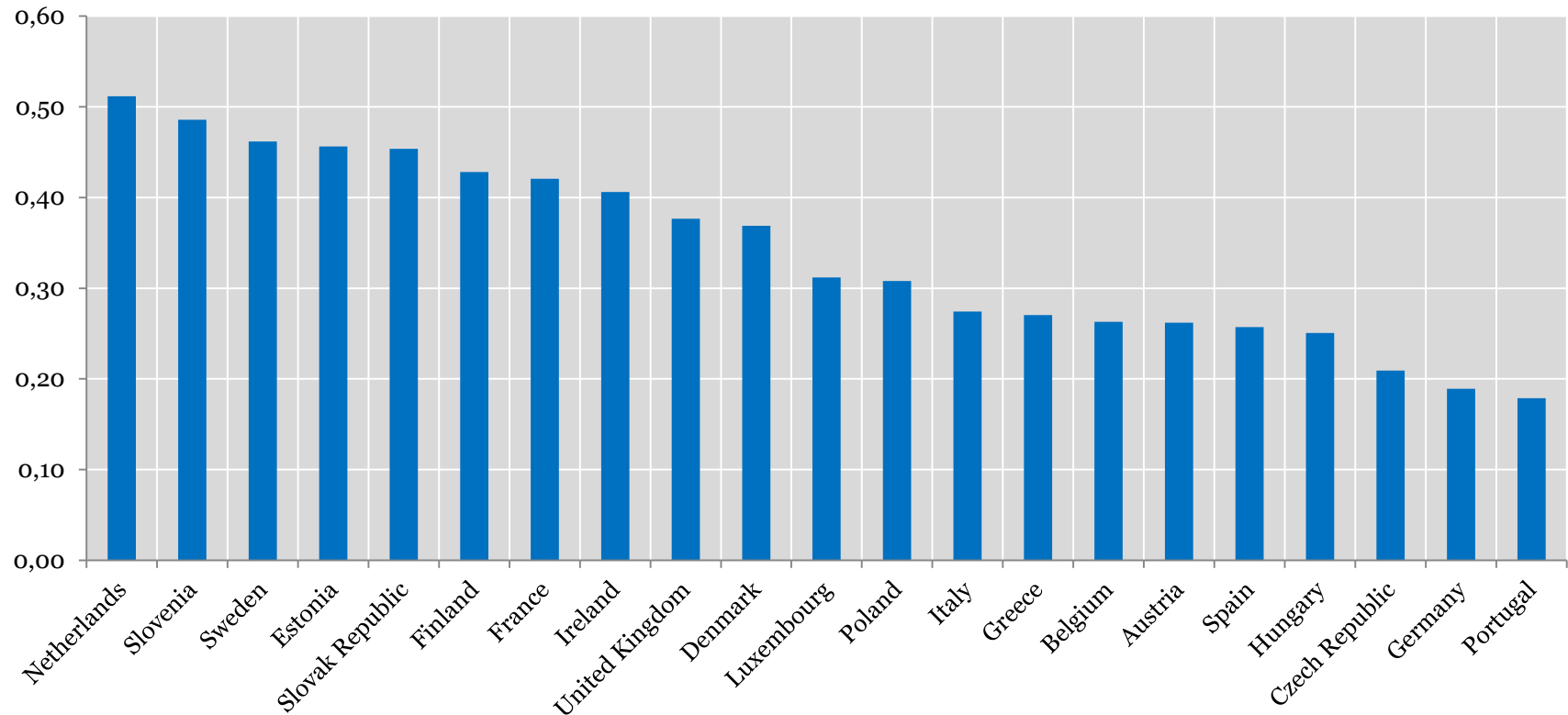
## Utilisation of strategic HRM practices (2010)



Source: OECD (2011), *Government at a Glance 2011*. OECD Publishing

# Strategic management: snapshot 2

## Use of performance budgeting practices at the central level of government (2011)



Source: OECD (forthcoming), *Government at a Glance 2013*. OECD Publishing

# Public Governance Reviews (PGRs)

- A 360-degree diagnostic of government performance, including in-depth analysis, actionable recommendations and implementation support
- Supporting public administration reform in a number of EU countries
  - Comprehensive reviews of public governance in Ireland (2008), Finland (2010), Estonia (2011), Slovenia (2012), Poland (2013)
  - Reviews of selected governance issues in France (2012) and Greece (2010-2013)
  - On-going reviews in Hungary, Slovakia and Spain



# Key insights from PGRs

- Strategic approach key to strengthen growth potential
  - From strategic goals to policies and programmes to results
  - Optimising the use of human and financial resources
  - Assessing performance and responding to changing needs
  - Enhancing transparency and accountability
- Challenges
  - Linking strategy and budget
  - Ensuring steering from the Centre of Government
  - Overcoming ministerial silos
  - Managing the public workforce strategically

# Linking strategy and budget--Slovenia

- **Problem**

- Optimizing resources to respond to significant decline in economic activity

- **How it was addressed**

- 2010 decree setting methods for both planning and budgeting
- Four-year development strategy forming the basis for mid-term fiscal scenario, budget memorandum and the budget

- **What worked well**

- Building on existing structures and processes to scale them up and refine them (e.g. target-oriented budgeting)
- Requirements for individual budget users to be responsible for monitoring performance and efficiency

- **Open challenge**

- Creating a performance culture in the operations of the central public administration

# Steering from the Centre--France

- **Problem**

- Overcoming resistance and delays in reforming government operations to respond to reduced sources of financing

- **How it was addressed**

- 2007-2011 *Révision générale des politiques publiques* (RGPP)
- Comprehensive reform strategy addressing costs, quality and agility of government operations

- **What worked well**

- Systematic and direct involvement of the President's Office and the Prime Minister's Office instrumental in launching the RGPP
- RGPP Monitoring Committee at the Centre steering RGPP implementation

- **Open challenge**

- Ownership of the reform across public servants and at the ministerial level

# Overcoming ministerial silos--Estonia

- **Problem**
  - Acting swiftly to address the deepest recession since independence
- **How it was addressed**
  - Three supplementary budgets passed in 2009 (9.3% of GDP)
  - Significant reduction in expenditures, including consolidation of public functions
- **What worked well**
  - Intense budget negotiations at the civil servant and ministerial level
  - Active role of the Cabinet of Ministers, which met 37 times and spent three full working weeks collaborating on the details of the budget
- **Open challenge**
  - Moving beyond informal networks for inter-ministerial co-ordination



# Towards a flexible public workforce--Ireland

- **Problem**

- Reducing costs in delivering public services while preserving a quality public workforce to meet fiscal targets

- **How it was addressed**

- Public Service Agreement 2010-2014 signed by the government and sector unions aimed at building an increasingly integrated public service

- **What worked well**

- The agreement directs public bodies and individual public servants to increase their flexibility and mobility to work together across sectoral, organisational and professional boundaries
- The agreement commits the government to delivering an on-going reduction in the cost of delivery of public services through staff redeployment and the reconfiguration of the design and delivery of public services

- **Open challenge**

- Need to maximise efficiencies and productivity through revised work practices to sustain the delivery of quality public services

# Conclusions

- Strategic management is (also) about changing culture across government
- Ownership of reforms as well as political will are key to make reforms happen
- Institutions and work practices matter
- One size does not fit all

# Questions for discussion

- How to change culture across government?
- How to foster ownership of reforms?
- How to ensure that reforms fit a country's context?

*THANK YOU!*